



Annual Report Regarding Modern Slavery FY2023

Introduction

This report is provided in accordance with the requirements of Section 11 of *An Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to Amend the Customs Tariff* (the Act) for the financial year beginning on July 1, 2022 and ending on June 31, 2023. It sets out the steps that Earth Rated has taken to identify and reduce the risk of modern slavery occurring within its business operations and/or supply chain.

Organizational Structure and Activities

9199-4467 Quebec inc. (Earth Rated) is a private corporation headquartered in Montreal, Quebec, Canada and is engaged in the sale of consumer products designed for dogs and pets, including pet waste bags, dispensers, grooming products and toys. Earth Rated products are sold worldwide in over 40 countries including in Canada, the United States, the European Union and the United Kingdom. Earth Rated has approximately 65 employees and consultants who are located primarily at its head office in Canada, as well as in the US and Europe.

Supply Chain

Earth Rated's supply chain includes the third-party manufacturers of our products located in Canada, China and Vietnam (tier 1 suppliers). Since the products are sold worldwide, Earth Rated also uses a network of suppliers to provide logistics, transportation and warehousing services in multiple jurisdictions. We prioritize working with reliable suppliers on the basis of long-term and trusted relationships. We are committed to upholding ethical labor practices and mitigating the risk of forced labour and child labour within our supply chain network. We carefully select partners that are committed to our standards of quality and who ensure workers are well-treated and fairly compensated for their work. These efforts not only align with legal and regulatory requirements but also uphold our values of social responsibility and ethical business practices.

Risk Assessment

There are very few areas of the business and supply chain that carry a risk of forced labor. Our head office is located in Canada and all of our direct employees and consultants are located in very low risk jurisdictions. Our products are manufactured in Canada, China and Vietnam and due to the nature of the products involved (pet products) as well as the type of manufacturing partners with whom we work, the risk of forced labour in these areas of the supply chain is also low.



Although we consider the risk of forced labour in our business and/or supply chain to be very low, we have implemented various policies and processes which are aimed at assessing our suppliers on a variety of business practices including the risk of forced labour. In addition, our company has undergone various certification processes for certain products and other business audits which are described more fully below which demonstrate our commitment to ethical business practices. Taken together, these various measures ensure that the risk of the occurrence of forced labour within our business and /or supply chain has always and remains extremely low.

Measures which ensure ethical business practices

Key Policies & Processes

Business Partner Code of Conduct

Earth Rated requires all of its product manufacturers to sign and adhere to the Earth Rated Business Partner Code of Conduct (the “Code”) which covers a wide range of subject matters, including the prohibition of forced labour, human trafficking and child labour. The Code outlines our commitment to ethical sourcing practices and provides guidelines for suppliers to adhere to relevant labor standards and principles. It provides clear expectations regarding compliance with laws and regulations related to forced labour and child labour. It also establishes mechanisms for accountability and consequences in case of non-compliance.

Supplier Audits

Regular audits of our product manufacturers (SMETA 4-pillar) are conducted to assess compliance with a wide variety of requirements regarding business practices, including a prohibition against the use of forced labour and adherence to child labor policies and standards. Such audits involve thorough assessments of labour practices, including recruitment processes, working conditions, and age verification mechanisms. Audits are conducted by independent third-party auditors on Earth Rated’s behalf to ensure objectivity and transparency. When non-conformities are identified, Earth Rated is informed and follows-up with the manufacturer to ensure corrective actions are implemented. Proof of compliance is sent to Earth Rated upon completion. Such audits are typically conducted on a bi-annual basis.

Certifications

FSC & PEFC Chain of Custody Certification

As a PEFC and FSC Chain of Custody Certification holder, Earth Rated must demonstrate compliance with the PEFC Social, Health and Safety Requirements and the FSC Core Labour Requirements, which cover the abolition of child labour, elimination of all forms of forced or compulsory labour, elimination of discrimination with respect to employment and occupation, upholding freedom of association, and the effective recognition of the right to collective bargaining.



These clauses are included in all the agreements signed with our third party logistics partners, located in Canada, the United States, the United Kingdom and the Netherlands.

Moreover our wipes manufacturer holds a valid FSC Certificate and our toys manufacturer holds a valid PEFC Certificate, thus being subject to the same standards.

B Corp Certification

Earth Rated became B Corp Certified in May 2022 and had to go through a rigorous process with strict criteria that certifies the way the company is conducting business is having a positive impact on its people, suppliers, community, and environment while providing extensive evidence documenting that.

As a B Corp certified company, Earth Rated is subject to B Corp audits every three years. Questions on Supply Chain Management include Social and Environmental Screening of Suppliers and Supplier Evaluation Practices. Performance on these questions is included in our Community Score which is 50% higher than the average for our company's country, sector and size.

Employee Training

Our Operations department is responsible for assessing and procuring our suppliers and for managing all aspects of our relationships with our supplier and our broader supply chain. Therefore, all employees of such department are very familiar with our Business Code of Conduct as well as our SMETA audit processes which are also included in our Supplier Manuals.

Effectiveness in Combatting Forced Labour and Child Labour

Our ongoing screening of product manufacturers allows us to baseline a supplier's risk profile and subsequently flag and assess any activities that would violate our Business Partner Code of Conduct. We discuss any instances where corrective actions are required with the supplier and track these issues to completion.

Having leveraged such supplier screenings and monitoring procedures, as well as our policies and processes relating to internal conduct, no evidence of modern slavery – including forced labour or child labour – or loss of income as a result of steps taken to eliminate modern slavery have been identified in FY2023 and thus there has not been a basis to take remedial steps regarding such matters.

Moreover, external certifications (FSC, B Corp) require regular and independent audit of working practices, policies and procedures, thereby providing further assurance to Earth Rated of the reduced risk of slavery and forced labour in its supply chain.

We will continue to evaluate the effectiveness of our policies to ensure they remain current and aligned with business activities, regulatory developments, industry standards and best practices.



Approval and Attestation

Pursuant to paragraph 4(b)(ii) of the Fighting Against Forced Labour and Child Labour in Supply Chains Act, this report was approved by a resolution adopted by the board of directors of 9199-4467 Quebec inc. on May 30, 2024.

Abaragidan Gnanendran
Chief Executive Officer
9199-4467 Quebec inc. (Earth Rated)

May 30, 2024

9199-4467 QUÉBEC INC.

The following resolution, signed by all the directors of 9199-4467 QUÉBEC INC. (the “**Corporation**”) entitled to vote on this resolution pursuant to the provisions of section 140 of the *Business Corporations Act* (Quebec), are hereby adopted as of May 30, 2024.

APPROVAL OF ANNUAL REPORT UNDER THE *FIGHTING AGAINST FORCED LABOUR AND CHILD LABOUR IN SUPPLY CHAINS ACT*

RESOLVED:

THAT the Corporation hereby approves the annual report for the fiscal year extending from July 1, 2022 to June 30, 2023 prepared in accordance with Part 2 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, substantially in the form of the annual report submitted to the directors of the corporation for their approval (the “**Annual Report**”);

THAT any director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to sign and execute the 2023 Annual Report substantially upon the same terms and conditions as contained in the draft Annual Report approved under this resolution; and

THAT any director or officer of the Corporation be and is hereby authorized to execute and sign any documents, perform all acts and things necessary or useful, in his or her own discretion, in order to give effect to this resolution.



ABBY GNANENDRAN



DIVYAN SELVADURAI



MASSIMO DE PALMA